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FISCAL IMPACT STATEMENT

LS 6872

BILL NUMBER: HB 1099

NOTE PREPARED: Dec 19, 2002

BILL AMENDED:

SUBJECT: Communication with voters over the telephone.

FIRST AUTHOR: Rep. Mahern

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: The bill makes it a Class B misdemeanor for a person who sponsors, authorizes, finances, or makes a telephone call to a prospective voter concerning the election or defeat of a candidate or public question to use a message delivered by a computerized or prerecorded system rather than an individual speaking live. The bill provides that a candidate, candidate's committee, regular party committee, political action committee, or legislative caucus committee that sponsors or finances telephone calls in violation of this provision is subject to a civil penalty of up to three times the amount expended in sponsoring or authorizing the telephone calls, plus documented investigative costs. The bill provides that a person who authorizes or makes telephone calls in violation of this provision must pay a civil penalty of \$50 for each call, plus documented investigative costs.

Effective Date: July 1, 2003.

Explanation of State Expenditures: *Summary:* If more investigations result under the bill, the Election Division could require additional administrative time and/or expenditures. As of November 2002, the Election Commission had 13 authorized staff positions. One position, a systems analyst, was vacant. The other 12 positions included two attorneys, two field auditors, three unclassified executive positions, two program coordinators, a Governor's fellow, and two administrative personnel.

Explanation of State Revenues: *Summary:* As described above, violators of the bill would be subject to a civil penalty and all documented investigative costs. All civil penalties collected from a state investigation would be deposited in the State Campaign Finance Enforcement Account (SCFEA.) In FY 2002 there were \$6,105 in penalties deposited into the SCFEA. The SCFEA is used for the enforcement of campaign laws and creating and operating a campaign finance computer system, including the investment in technology to

expand the capabilities of the computer system.

Criminal Penalty: If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: *Summary:* If more local investigations result under the bill, county election boards could require additional administrative time and/or expenditures.

Criminal Penalty: A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: *Summary:* County election boards would be allowed to assess a civil penalty three times the amount expended in sponsoring/financing illegal telephone calls and any documented investigation costs made by a board. Persons making illegal phone calls under the bill would be required to pay a civil penalty of \$50 per call and investigative costs. Revenue collected under this provision would be deposited with the county treasurer into the county campaign finance enforcement account.

Criminal Penalty: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Indiana Election Commission, Indiana Election Division.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: *State of Indiana HRM Detail Staffing Report, 11/04/02.*

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